Hamilton County
Project Gain Guidelines

2005

Hamilton County's Vision
We will serve the residents of Hamilton County by providing the best and most responsive county government in America.

Contents

Be creative!

A Teaspoon of Baking Soda
The Nature of Creativity

Add one teaspoon of baking soda for each batch of two dozen cookies . . .

One teaspoon, for heaven's sake. For two dozen cookies. Not a cup. Not a half cup. Not even a tablespoon. What a business to be in! Selling baking soda by the teaspoon. Not much future there. The box would just sit around on the shelf, next to the spices, until it . . . until it . . . until it begins to smell like oregano?

Hey, the stuff absorbs odors!

And where in our lives could we use a little of this odor-absorbing ability of baking soda?

Car ashtrays . . .
Running shoes . . .
The cat's litter box . . .
Underarms . . .
The refrigerator . . .

The refrigerator! Baking soda in a refrigerator. The whole box. Not just one measly teaspoon. Imagine what that great idea did to the sales of baking soda at Arm & Hammer.

From one teaspoon to the whole box. No, make that two boxes. One for the veggies and one for the ice cream. How about a box in the golf locker . . . we're on a roll!

We've just witnessed one of the most vital principles of creativity at work. The best way to get great ideas is to get lots of ideas and throw the bad ones away.

Charles "Chic" Thompson
Author of "What A Great Idea!"

Hamilton County
Project Gain Guidelines

Project Gain provides a means to reward all eligible county employees for contributions to the efficient operation of county government, above and beyond the normal scope of duties. It is a program that compensates employees based on enhanced revenues and cost savings.

Features of the program include,

- Rewards group, not individual performance
- Encourages teamwork and cooperation
- Based on factors which can be controlled by the group
- Promotes an employee/employer partnership for improvement
- Improves employee morale
- Enhances revenues for the county
- Realizes a cost savings for the county
- Shares part of the gain with the employees, when goals are obtained

This document is designed to assist you in developing a gainsharing program for your department/agency. There is no single, across-the-board strategy that will work for every department/agency. This document should only be used as a guideline.

Be creative!

Section I – Program Design

When designing your gainsharing program, do not over-think.   The more complicated the program design, the less likely employees will comprehend it and be motivated by it. When the goal of the program is clear and perceived as logical, then employees will be motivated. Consider three subject areas when creating your program.

1. Concept

The concept is a set of statements linked directly to the department/agency's performance measures and cost reduction/revenue gain achievement. Consider the following questions,

- What are the most important actions your department/agency is responsible for?
- Review any performance measures currently in use for applicability (it may be necessary to develop new performance measures for Project Gain). Highlight strategic goals, results measures and efficiency measures. Which of these measures most fully reflect what "success" would look like for your department/agency?

2. Measurements

Measurements used in Project Gain are based on group performance. "Group" may be defined as a department/agency, division, section, agency, or particular employees within a department/agency, division, section, or agency, or a group of employees across departments/agencies. It is important to develop two or three key performance measures that reflect the contributions of the employees in your department/agency which are attainable and easily quantified.

Project Gain funding pools are based on a specific measure which will generate a cost reduction/revenue gain achievement.

Measurements should reflect the contribution of as many of the employees in the department/agency as possible. They should be easy to administer. Measurements should demonstrate a balance between quality and quantity. (Example: A department/agency may produce 100 more reports a day, representing a significant increase in output, but if no one needs or uses the reports because the information contained in them is incorrect, then the *improvement* has no value. On the other hand, a department/agency may produce one comprehensive and accurate report a year, but if the demand is for 5,000 reports or the cost of the one report is significantly over budget, then the department/agency's *results* will be disappointing. Moral: You need a balance of both quality and quantity measurement.)

3. Funding strategy

When goals are obtained, the pool of funds that results from the department/agency's cost savings or revenue enhancement efforts is shared equally with all employees who actively contributed toward the goals of the program.

Awards will be distributed in accordance with the following,

- A funding pool must be established in order for any gainsharing to occur.
- The funding must be derived from the results of the department/agency's measurements.
- Not all of the department/agency's program measurements must result in a measurable funding pool. Enough measurements must, however, in order to derive sufficient savings or revenues (or a combination of both) to fund the program.

Section II – Eligibility requirements

It is important to determine which employees in the Hamilton County departments/agencies are eligible and not eligible to participate in a Project Gain program. Below is a table of criteria to think about as requirements are developed. Requirements will be unique to departments/agencies.

Employee eligibility criteria	Eligible	Not Eligible
Full-time, permanent Hamilton County employees with at least 180 consecutive days of service (bargaining and non-bargaining).	x	
Part-time, permanent Hamilton County employees with at least 180 consecutive days of service (bargaining and non-bargaining).	x	
Temporary employees with Hamilton County.		
Satisfactory performance rating throughout program.	x	
Hamilton County employees who actively participated in the program for at least one-half of the measurement period, but retired prior to award distribution.		
Hamilton County employees who actively participated in the department/agency's program for at least one-half of the measurement period, but transferred to another Hamilton County department/agency prior to award distribution.		
Employees who transferred to a Hamilton County department/agency during the program and actively participated for at least one-half of the measurement period.		
Hamilton County employees across county departments/agencies who actively participated in the program.		

Shaded requirements are mandatory. Hamilton County employees falling into an unshaded area may be eligible at the discretion of the department/agency group participating in the Project Gain program, and the approval of the elected official/appointed authority/department head.

Section III – Evaluation Panel

Evaluation Panel appointments are for a one year term. The Project Gain Evaluation Panel will assure that department/agency Project Gain programs:

- Meet the county's vision
- Support the vision of the department/agency
- Promote customer service and department/agency efficiencies
- Lead to cost savings or new revenue
- Do not duplicate Project Gain programs in other county departments or agencies

The Evaluation Panel will:
- Approve each department/agency's Project Gain performance goals;
- Verify each department/agency's achievement of the approved performance goals;
- Verify actual savings for each department/agency at the end of the fiscal year;
- Verify amount of savings to be disbursed equally among participants;
- Make recommendations so that the Commissioners and/or Administrator may settle disputes that may arise in reference to the program.

The Evaluation Panel will consist of the following:
- County Commissioner appointee
- County Administrator designee
- County Personnel Director designee
- Assistant County Administrator for Administrative Services designee
- Department/agency's budget analyst
- Two representatives from departments/agencies not under the Board
- Project Gain Program Coordinator

All positions are constant with the exception of the department/agency's budget analyst. Positions are for a one year term.

Section IV -- Communication Plan

Frequent communication and feedback to all employees in the department/agency is important when implementing the Project Gain program. Employees need to know where they stand in relation to the goals. This allows the department/agency, through employee involvement, to determine if any new initiatives need to be put in place to help achieve the program's goals.

Simple, creative communication to employees should be developed. The goals and measures should be at the top of each employee's mind. Using a variety of mediums will help when distributing information, such as employee meetings and e-mail messages.

Section V -- The Program

The Hamilton County Commissioners recognize that county employees are critical to the delivery of services and the best source of innovative ideas. Through their personal knowledge about their jobs, employees are able to identify cost savings, enhance revenues, and reduce waste.

The concept of Project Gain supports these principles by offering county employees and elected officials/appointed authorities/department heads the opportunity to share ideas in order to develop cost savings/revenue enhancement programs. These programs will then be evaluated by the elected official/appointed authority/department head for feasibility and submitted to the Evaluation Team for approval as a Project Gain program. Benefits derived from the program should enhance revenues and/or realize cost savings.

All county departments/agencies may participate in Project Gain. All county departments/agencies may design and implement specific gainsharing programs for their employees. Departments/agencies may collaborate on Project Gain programs.

1. The elected official/appointed authority/department head will submit the Project Gain program to the Evaluation Panel using a predefined format that includes a narrative that explains what, why, who, when, how, savings/revenue, and award distribution. The submittal will also include a program flow chart that mirrors the narrative. The length of a Project Gain program will be a fiscal year program (1/1 – 12/31) or a semi-annual program (1/1 – 6/30 or 7/1 – 12/31).

2. The Evaluation Panel will review all Project Gain programs prior to submission to the County Administrator for approval. County Administrator approval is required to implement Project Gain programs. The County Administrator will provide the County Commissioners with periodic reports of Project Gain programs.

3. All gainsharing programs must be based on performance measures that take into consideration the department/agency's budget performance goals and that support the county's and the department/agency's vision. Cost saving programs must be above and beyond the normal scope of duties, new or never before successfully implemented in Hamilton County. Programs must result in permanent and sustainable change, with no decline in the standard of service as a result of the program. Programs may not include salary recommendations or position reclassifications.

4. As part of the Project Gain process, a cost tracking spreadsheet (sample available) must be completed. The "before" section must be completed with the initial documentation to participate, and the "after" section with the final documentation reflecting actual cost savings and/or increased revenue, and award distributions. Information provided must be as detailed as possible, including specification of line item(s) and vendor(s) where applicable.

5. Project Gain awards will be funded from the cost reductions or revenue enhancements identified in the department/agency's gain sharing program. Each department/agency must remain within its expenditure budget in order to distribute an award under the plan. The total amount distributed under the plan must not exceed one-half of the savings or revenue enhancements generated under the plan. The remaining savings/revenue will be returned to the respective fund. The following fiscal year expenditure budget will be reduced by the full-year impact of any expenditure savings realized.

6. Individual employee awards must total at least $100.00 per employee per program, and may not exceed $1,000.00 per employee per program and $5,000.00 per employee per fiscal year.

   For example,

Number of Employees in Group/Division/ Department/Agency	Cost savings or Revenue enhancement	50% of Savings/Revenue	Amount of Award (shared equally among employees)
10	$2,000	$1,000	$100
20	$10,000	$5,000	$250
10	$500	$250	$-0- ($25 is under $100 minimum)
20	$400,000	$200,000	$1,000 ($10,000 is above $1,000 maximum)

   Exceptions may be authorized by the County Administrator. (For example, cost savings/enhanced revenue total $500,000.00 or more, program concept will be applied in other departments/agencies or used county-wide; cost savings/revenue enhancements are part of a program which will take multiple years to realize.) Exceptional circumstances will be documented by the Evaluation Panel and approved by the County Administrator. It is intended that an equal amount be shared with each participating employee under the plan. Payment of award will be made as soon as practical once a projected savings/enhanced revenue are realized.

7. All permanent employees, bargaining and non-bargaining, who have worked for Hamilton County at least 180 consecutive days by the end of the measurement period may be eligible for an award. In addition, to be eligible for an award, an individual employee's performance must be satisfactory throughout the program, and the employee must have actively contributed toward the goals of the program for at least one-half of the measurement period.

8. To earn a Project Gain award, an employee must remain employed through the date of award distribution or be retired. Employees who have transferred to another county department/agency, but participated in their previous department/agency's Project Gain program for at least one-half of the measurement period are permitted to receive an award. Employees transferring into a department/agency participating in a Project Gain program and participating for at least one-half of the measurement period are permitted to receive an award.

9. Any material changes in the department/agency's accounting procedures during the fiscal year that may affect the Project Gain program must be disclosed to the Evaluation Panel for review. If the Panel's review indicates the change will have a significant effect on the Project Gain program, the review may result in a recommendation that the department/agency's program be amended or canceled. Any amendment or cancellation of a Project Gain program requires action by the County Administrator.

10. The department/agency will submit a progress report to the Evaluation Panel midway through the program.

11. A comprehensive validation report, with any amendments and the necessary documentation, will be submitted to the Evaluation Panel when the measurement period is complete. This report will be submitted whether or not the Project Gain program goals were achieved. The report must include an original signature of the elected official/appointed authority/department head which indicates that he/she approved the results submitted. After review of the report, the Evaluation Panel may require the department/agency to perform additional analysis and/or supply additional supporting documents.

Each proposed Project Gain program must comply with these guidelines, or must identify any provision that does not comply and request approval of the exception. Successful Project Gain programs require management commitment and support, and involvement from employees.

Section VI – Disclaimer

Project Gain programs submitted for approval must include a disclaimer signed by the elected official/appointed authority/department head stating,

"By signing this Project Gain proposal, I hereby acknowledge the following:

1. Program results in permanent and sustainable change, with no decline in the standard of service as a result of the program.

2. Should the Project Gain proposal involve increased revenue, subsequent year budgets will be constructed on the assumption that these revenues will be ongoing.

3. Should the Project Gain proposal involve savings, the following will apply:
    a. If the savings should occur in a general fund or levy fund program, the amount of savings will be deducted from subsequent year expenditure budgets.
    b. If the savings should occur in a state or federal fund program, the amount of savings will be reallocated to direct service expenditures, rather than administrative/overhead expenses.
    c. If the savings should occur in a special revenue fund, treatment of the savings will be decided on a case by case basis."

Hamilton County
Project Gain Narrative

<u>What?</u>
What is our program about? Give a description of the program. For example, "The program will reduce the consumption of paper for departmental usage."

<u>Why?</u>
Tell what our program will accomplish. For example, "Our program will produce a cost savings by reducing the amount of paper used, while making a contribution to the environment."

<u>Who?</u>
Identify employees who will participate in the program and receive awards at the conclusion of the program. Review eligibility requirements prior to employees signing. For example,

_____   _____
Print name   Signature

<u>How?</u>
List steps to achievement, program objectives and explain how objectives will be met. Provide performance measures. Estimate savings and/or revenue enhancements. Anticipate maximum distribution per eligible employee. For example,

Objective 1: Reduce the consumption of paper used in the office.
- Prepare a paper saving document guideline to be used by staff where practicable for all internal documents – double sided format, single line spacing, decreased margin settings.
- Encourage the use of e-mail communication rather than hard copy.
- Encourage staff to reuse paper for note paper, phone messages, etc.

Performance measure: Reduction in the quantity of paper purchased by the department without affecting the quality of service provided by the department.

Objective 2: Enhance the department's paper recycling program.
- Support the county's recycling program.
- Provide recycling receptacles for each employee and place receptacles beside the copier.

Performance measure: Monitoring the department's recycling program.
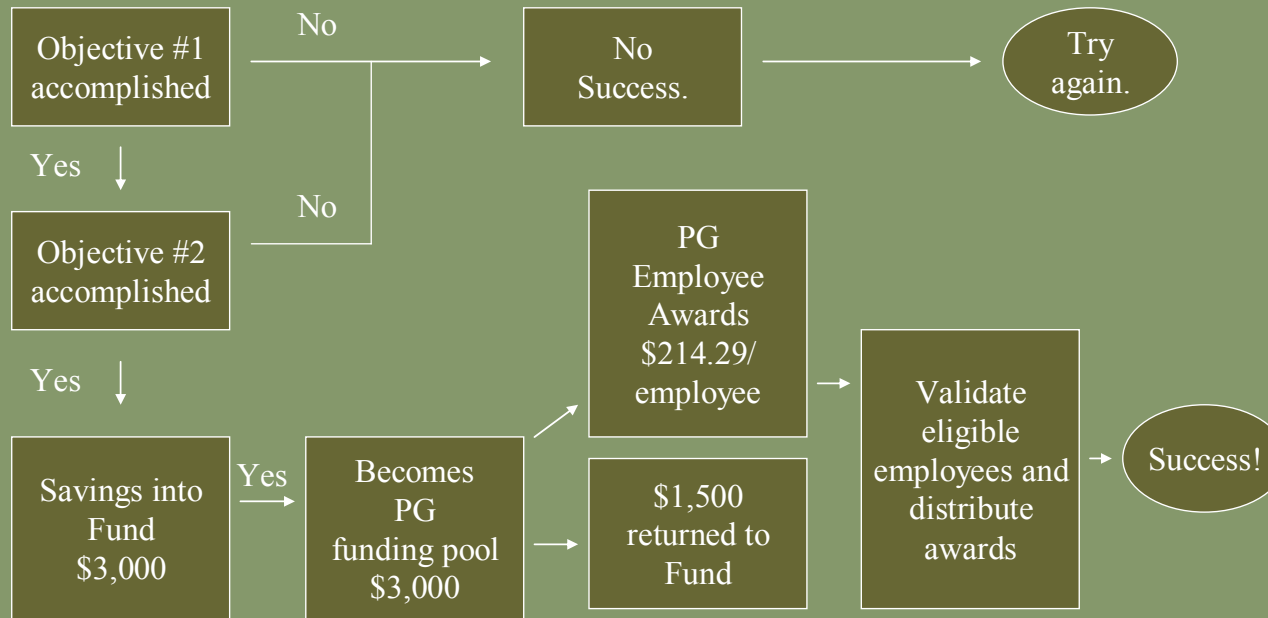
Estimated savings: $3,000.00 over a one-year period.

Anticipated distribution per employee: $1,500.00/7 employees = $214.29

<u>When?</u>
Determine measurement period – fiscal year program or semi-annual program. For example, "Our program is a fiscal year program, running from January 1 through December 31."

Project Gain Flowchart

Flowchart mirrors Narrative

Project Gain
Implementation Schedule

Project Gain Programs Implementation Schedule			
PROGRAM DURATION	SUBMITTED TO PROGRAM COORDINATOR	APPROVAL	COMMENTS
FISCAL YEAR PROGRAM	Programs may be submitted at any time	Evaluation Panel and County Administrator have 30 days each to review program	Program will be effective in accordance with department/agency's timeline once approval is received.
SEMI-ANNUAL PROGRAM	Programs may be submitted at any time	Evaluation Panel and County Administrator have 30 days each to review program	Program will be effective in accordance with department/agency's timeline once approval is received.

Project Gain Cost Tracking

BEFORE					

	Fund	Subfund	OCA	Object Level 3	Cost/Revenue (thousands) Vendor (if appropriate)
Current operations (attach Performance printouts)					
Project Gain (proposed)					

AFTER					

	Fund	Subfund	OCA	Object Level 3	Cost/Revenue (thousands) Vendor (if appropriate)
Project Gain (actual -- attach Performance printouts)					

As part of the Project Gain process, this cost tracking spreadsheet must be completed. The "before" section must be completed with the initial documentation to participate, and the "after" section with the final documentation reflecting actual cost savings and/or increased revenue, and award distributions. Information provided must be as detailed as possible, including specification of line item(s) and vendor(s) where applicable.

Funding pool for awards can be equal to or less than amount shown here. Funding pool amount will be used to adjust department/agency's budget in subsequent year.

Project Gain Validation Report

A validation report is to be completed at the conclusion of the project and/or fiscal period and submitted to the evaluation team. It will be completed and submitted regardless of the results. The report should include the following components:

1. A narrative description of the project as originally proposed.

2. A narrative of the project as it progressed from implementation to completion including,

    a. start date
    b. staff assignments and responsibilities and changes in staff assignments and responsibilities
    c. schedules and schedule changes - timeline
    d. unanticipated resistance and/or start up issues
    e. project target dates met or not met
    f. lessons learned

3. Identification of original goals.

4. Identification of goals accomplished.

5. Identification of goals not accomplished including,

    obstacles to success

    - resources
    - time
    - manpower

6. Overall Outcomes Summary – summation of project contrasting original expectations versus final results.

7. Anticipated savings versus actual savings and/or anticipated revenue versus actual revenue.

8. Completion of cost analysis spreadsheet and internal tracking tool.

Project Gain
Evaluation Panel Checklist

✔	List
	New program or never before successfully implemented
	All eligibility requirements met
	Program is above and beyond the employees' normal scope of duties
	Result in permanent and sustainable change
	Based on Project Gain performance measures
	Support department/agency's vision
	Meets county's vision
	Are congruent with the department/agency's budget goals
	No decline in department/agency's standard of service
	Promote customer service and department/agency efficiencies
	Lead to cost savings or new revenue
	Appropriate documentation included
	Do not overlap Project Gain programs in other departments or agencies
	Signature page included

Project Gain programs are approved by a majority decision of the Evaluation Panel.

County Commissioner appointee

County Administrator designee

County Personnel Director designee

Assistant County Administrator for Administrative Services designee

Department/agency's budget analyst

Representative from a department/agency not under the Board

Representative from a department/agency not under the Board

Frequently Asked Questions

<u>What is Project Gain?</u>
Project Gain is a gain sharing program that provides a means to reward all county employees for contributions to the efficient operation of county government, above and beyond the normal scope of duties. It is a program that compensates employees based on enhanced revenues and cost savings. Project Gain does not replace employee merits and supplements.

<u>How does Project Gain work?</u>
Elected officials/appointed authorities/department heads and staff brainstorm ideas to design a program that will increase department/agency revenues or produce a cost savings. The elected official/appointed authority/department head submits the program, in narrative form, to an Evaluation Panel for review. The Evaluation Panel submits the program to the County Administrator for approval. Once approved, the department/agency implements the new program. At the end of the program implementation time period (fiscal year or semi-annual) if cost savings or revenue enhancements are realized, a portion of the savings or revenues realized are distributed to the department/agency involved in the program.

<u>Can all departments/agencies and all employees participate in Project Gain?</u>
Project Gain is open to all departments/agencies and all eligible employees. Some departments/agencies, however, have funding restrictions that limit the county's ability to pay employees through a program such as Project Gain. Such departments/agencies are encouraged to recommend alternative programs to the County Administrator for consideration.

<u>Are there rules governing Project Gain?</u>
Each elected official/appointed authority/department head is provided a set of Project Gain Guidelines to establish department/agency gainsharing programs. There is no single, across-the-board strategy that will work for every department/agency. The guidelines were developed by the Project Gain Team, and modeled after successful gainsharing programs in other counties and cities.

<u>How are Project Gain awards distributed?</u>
Project Gain awards are funded from cost savings or revenue enhancements in the department/agency. When goals are obtained, one-half of the funds resulting from savings or enhancements is shared equally with all employees who actively contributed toward the goals of the program. Individual employee awards must total $100.00 per employee per program, but may not exceed $1,000.00 per employee per program and $5,000.00 per employee per fiscal year.

<u>What are some revenue enhancement ideas?</u> <u>How are cost savings realized?</u>
Revenue enhancements may come from a county department/agency that operates a facility that could be rented to consumers. A department/agency may own a training program that could be offered to others for a fee. Cost savings are usually realized as a result of a department/agency reviewing current procedures.

<u>Which forms must I submit to the Evaluation Panel?</u>
Each program submitted must include a narrative, flowchart mirroring the narrative, and the "before" section of the cost tracking spreadsheet. At the completion of the program, the department/agency will submit the "after" section of the cost tracking spreadsheet and the validation report.

<u>How can I start a Project Gain program?</u>
Meet with your supervisor and your peers to brainstorm ideas. Identify industry or best practice standards. Follow the Project Gain Guidelines. *Be creative!*

  Note: Departments/agencies will establish internal Project Gain procedures. To learn the procedures for your department/agency, check with your supervisor.

Idea Generating Worksheet

This worksheet will help you generate ideas for your Project Gain programs. Consider the following.

What is the primary purpose of your department/agency? How many employees are in your department/agency? How many employees would participate in the program?
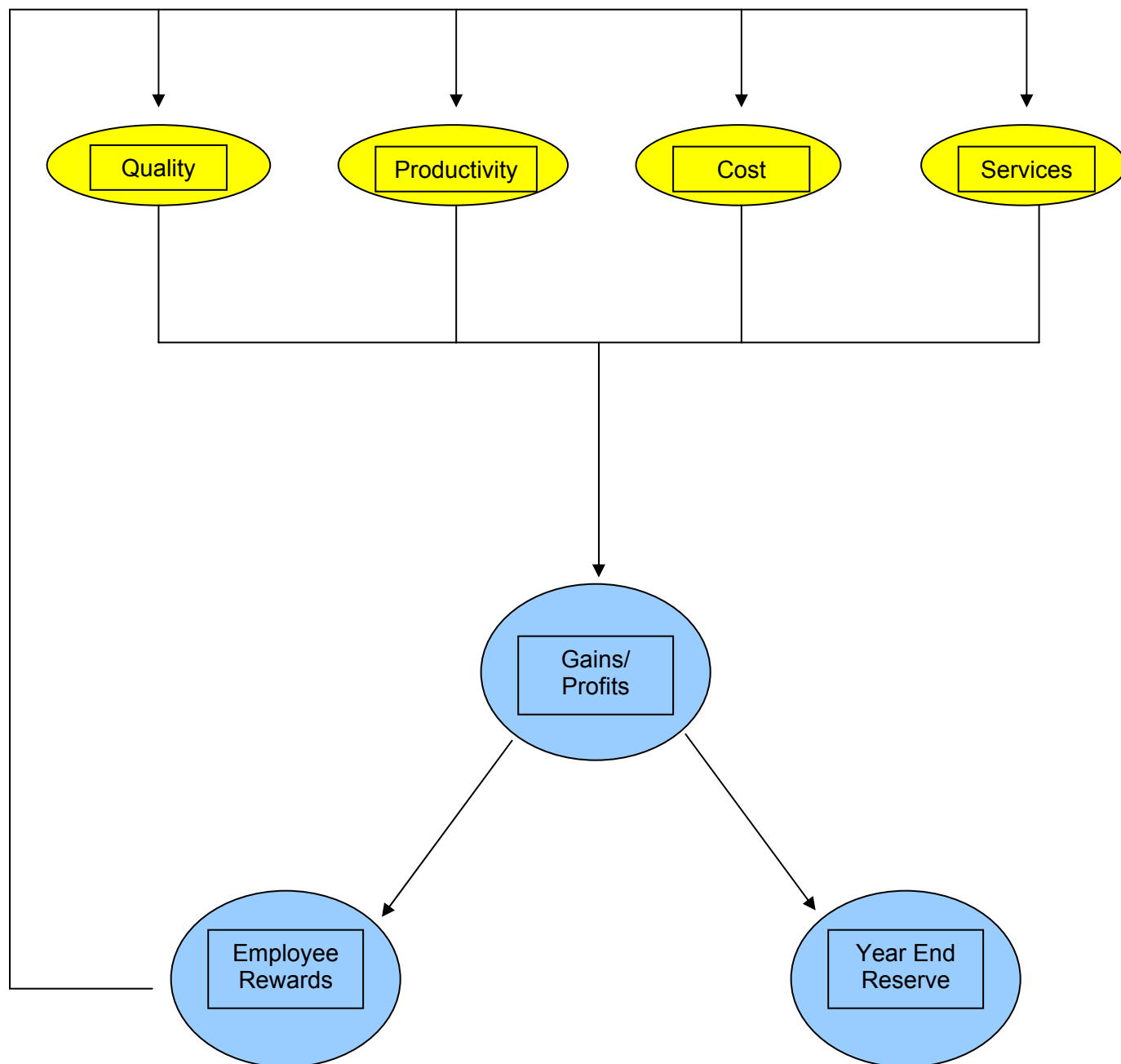

How can you create savings while supporting your Project Gain performance measures?

Are you aware of any industry or best practice standards relevant to the work you perform?

What could you do differently in your department/agency?

What is your challenge?

Project Gain Reinforcing Cycle

Hamilton County
Project Gain

Suggested Websites and Books

Website	Company
http://gocreate.com/index.htm http://www.gocreate.com/tools/	GoCreate.com Creative Center of the Universe
http://www.vta.spcomm.uiuc.edu/	Teamworks, The Virtual Team Assistant
http://members.optusnet.com.au/%7Echarles57/Creative/Techniques/index.html	Techniques for Creative Thinking
www.engin.umich.edu/~problemsolving/strategy/crit-n-creat.htm	
http://www2.latech.edu/~dalea/instruction/newideas.html	Generating New Ideas
www.ideas-consulting.com/prelaterral.htm	IDEAS
http://www.innovationresource.com/articles/article_files/selling_ideas.htm	The Innovation Resource
http://webuser.bus.umich.edu/organizations/seventyfifth/Toolbox.htm	Brainstorming
http://www.cre8ng.com/welcome.shtml	Robert Allen Black, Ph.D.

Book	Author
"What A Great Idea!"	Charles "Chic" Thompson
"Ideas Are Free"	Alan G. Robinson & Dean M. Schroeder
"Good To Great"	Jim Collins
"Communicating At Work"	Ronald B. Adler – Jeanne Marquardt Elmhorst
"Developing the Leaders Around You"	John C. Maxwell
"The Answer to How is Yes"	Peter Block
"Joy At Work"	Dennis W. Bakke